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CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 583

Introduced by Assembly Member Hancock

(Principal coauthors: Senators Alquist and Simitian)

(Coauthors: Assembly Members Bass, Berg, Canciamilla, Chan, Chu, Evans, Goldberg, Jones, Klehs, Koretz, Laird, Leno, Lieber, Lieu, Montanez, Mullin, Nation, Nava, Oropeza, Pavley, Saldana, Torrico, Wolk, and Yee)

(Coauthors: Senators Alarcon, Bowen, Chesbro, Figueroa, Kuehl, Lowenthal, Ortiz, *Soto*, Speier, and Torlakson)

February 16, 2005

An act to ~~amend, repeal, and add Section 8040 of the Elections Code, and to add Chapter 12 (commencing with Section 91015) to Title 9 of, and to repeal Section 85300 of, the Government Code, relating to the Political Reform Act of 1974.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 583, as amended, Hancock. Political Reform Act of 1974: California Clean Money and Fair Elections Act of 2006.

~~(1) Existing law requires a county elections official to provide, upon request of a candidate, a declaration of candidacy, which is required to include specified information.~~

~~This bill would, if the Clean Money provisions described below were to be approved by the voters, additionally require the declaration of candidacy to include a statement of the amount of personal funds the candidate intends to use on his or her candidacy for the office.~~

~~(2)~~

~~(1) Under existing law, the Political Reform Act of 1974, a public officer is prohibited from expending or accepting any public moneys for the purpose of seeking elective office.~~

This bill would repeal that provision and would enact the California Clean Money and Fair Elections Act of 2006, which would authorize eligible candidates, as defined, to obtain public funds according to specified procedures and requirements, provided that certain thresholds are attained. The bill would impose *primary* responsibility for the administration of the provisions of the bill on the Fair Political Practices Commission. This bill would create the Clean Money Fund and, commencing with the fiscal year beginning on July 1, 2008, transfer an amount equal to \$0.01 per day times the number of California residents 18 years of age or older from the General Fund to the Clean Money Fund. It would continuously appropriate those moneys in the Clean Money Fund to the Fair Political Practices Commission for the purpose of the public financing provisions of the act. The bill would make funding for the administrative and enforcement costs of the act subject to appropriation by the Legislature.

~~The bill would add contribution limits that, among other things, limit contributions to a candidate for statewide elective office who does not participate in Clean Money Fund funding.~~

~~(3)~~

~~(2) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act by a statute that becomes effective only when approved by the voters.~~

This bill would require the Secretary of State to submit those provisions of the act that amend the Political Reform Act of 1974 to the voters for approval at the June 3, 2008, statewide primary election.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

~~SECTION 1. Section 8040 of the Elections Code is amended to read:~~

~~8040. (a) The declaration of candidacy by a candidate shall be substantially as follows:~~

DECLARATION OF CANDIDACY

I hereby declare myself a _____ Party candidate for nomination to the office of _____ District Number _____ to be voted for at the primary election to be held _____, 20____, and declare the following to be true:

My name is _____.

I want my name and occupational designation to appear on the ballot as follows: _____.

Addresses:

Residence _____

Business _____

Mailing _____

Telephone numbers: Day _____ Evening _____

Web site: _____

I meet the statutory and constitutional qualifications for this office (including, but not limited to, citizenship, residency, and party affiliation, if required):

I am at present an incumbent of the following public office (if any) _____.

If nominated, I will accept the nomination and not withdraw.

Signature of candidate

State of California _____) -

1 County of _____) ss. -
 2 -) -

3
 4 Subscribed and sworn to before me this ____ day of ____, 20__.

5 _____
 6 Notary Public (or other official) _____

7 Examined and certified by me this ____ day of ____, 20__.

8 _____
 9 County Elections Official _____

10 ~~WARNING: Every person acting on behalf of a candidate is~~
 11 ~~guilty of a misdemeanor who deliberately fails to file at the~~
 12 ~~proper time and in the proper place any declaration of candidacy~~
 13 ~~in his or her possession which is entitled to be filed under the~~
 14 ~~provisions of the Elections Code Section 18202.~~

15 ~~(b) A candidate for a judicial office may not be required to~~
 16 ~~state his or her residential address on the declaration of~~
 17 ~~candidacy. However, in cases where the candidate does not state~~
 18 ~~his or her residential address on the declaration of candidacy, the~~
 19 ~~elections official shall verify whether his or her address is within~~
 20 ~~the appropriate political subdivision and add the notation~~
 21 ~~“verified” where appropriate.~~

22 ~~(c) If the provisions of the statutory enactment adding this~~
 23 ~~subdivision that add Chapter 12 (commencing with Section~~
 24 ~~91015) to Title 9 of the Government Code are approved by the~~
 25 ~~voters at the June 3, 2008, statewide primary election, this~~
 26 ~~section shall become inoperative on June 4, 2008, and as of that~~
 27 ~~date is repealed.~~

28 SEC. 2. Section 8040 is added to the Elections Code, to read:
 29 8040. (a) The declaration of candidacy by a candidate shall
 30 be substantially as follows:

31
 32 DECLARATION OF CANDIDACY

33
 34 I hereby declare myself a ____ Party candidate for nomination to the office
 35 of ____ District Number ____ to be voted for at the primary election to be
 36 held ____, 20__, and declare the following to be true:

37 My name is _____.

38 I want my name and occupational designation to appear on the ballot as
 39 follows: _____.

40 Addresses: _____

1 Residence _____

2 _____

3 Business _____

4 _____

5 Mailing _____

6 _____

7 Telephone numbers: Day _____ Evening _____

8 Web site: _____

9 It is my intent to spend \$_____ of my personal funds on my candidacy
10 for this office.

11 I meet the statutory and constitutional qualifications for this office
12 (including, but not limited to, citizenship, residency, and party affiliation, if
13 required):

14 I am at present an incumbent of the following public office
15 (if any) _____.

16 If nominated, I will accept the nomination and not withdraw.

17 _____
18 Signature of candidate _____

19
20 State of California _____) -

21 County of _____) ss: -

22 -) -

23
24 Subscribed and sworn to before me this _____ day of _____, 20____.

25 _____
26 Notary Public (or other official) _____

27 Examined and certified by me this _____ day of _____, 20____.

28 _____
29 County Elections Official _____

30 ~~WARNING: Every person acting on behalf of a candidate is~~
31 ~~guilty of a misdemeanor who deliberately fails to file at the~~
32 ~~proper time and in the proper place any declaration of candidacy~~
33 ~~in his or her possession which is entitled to be filed under the~~
34 ~~provisions of the Elections Code Section 18202.~~

35 ~~(b) A candidate for a judicial office may not be required to~~
36 ~~state his or her residential address on the declaration of~~
37 ~~candidacy. However, in cases where the candidate does not state~~
38 ~~his or her residential address on the declaration of candidacy, the~~
39 ~~elections official shall verify whether his or her address is within~~

1 the appropriate political subdivision and add the notation
2 “verified” where appropriate.

3 ~~(e) This section shall be inoperative until June 4, 2008. On that~~
4 ~~date, it shall become operative only if the provisions of the~~
5 ~~statutory enactment adding this section that add Chapter 12~~
6 ~~(commencing with Section 91015) to Title 9 of the Government~~
7 ~~Code are approved by the voters at the June 3, 2008, statewide~~
8 ~~primary election. If the voters at that election do not approve the~~
9 ~~addition of Chapter 12 (commencing with Section 91015) to Title~~
10 ~~9 of the Government Code as provided in the act that adds this~~
11 ~~section, this section shall not go into operation and shall be~~
12 ~~repealed as of June 4, 2008.~~

13 ~~SEC. 3.~~

14 ~~SECTION 1.~~ Section 85300 of the Government Code is
15 repealed.

16 ~~SEC. 4.~~

17 ~~SEC. 2.~~ Chapter 12 (commencing with Section 91015) is
18 added to Title 9 of the Government Code, to read:

19
20 CHAPTER 12. CALIFORNIA CLEAN MONEY AND FAIR
21 ELECTIONS ACT OF 2006

22
23 Article 1. General

24
25 91015. This chapter shall be known and may be cited as the
26 California Clean Money and Fair Elections Act of 2006.

27 91017. The people find and declare all of the following:

28 (a) The current campaign finance system burdens candidates
29 with the incessant rigors of fundraising and thus decreases the
30 time available to carry out their public responsibilities.

31 (b) The current campaign finance system diminishes the free
32 speech rights of nonwealthy voters and candidates whose voices
33 are drowned out by those who can afford to monopolize the arena
34 of paid political communications.

35 (c) The current campaign finance system fuels the public
36 perception of corruption at worst and conflict of interest at best
37 and undermines public confidence in the democratic process and
38 democratic institutions.

39 ~~(d) The ever-increasing costs of political campaigns in~~
40 ~~competitive races force most candidates to raise larger and larger~~

1 percentages of their campaign moneys from interest groups that
2 have a specific financial stake in the outcome of the elections and
3 in matters before our state government.

4 (e)

5 (d) Existing term limits place a greater demand on fundraising
6 for the next election even for elected officials in safe seats.

7 (f) ~~The rapidly increasing amounts of independent~~
8 ~~expenditures point to a growing trend of special interest groups~~
9 ~~to funnel funds through independent expenditures in an effort to~~
10 ~~skirt the contribution laws.~~

11 (g)

12 (e) The current campaign finance system undermines the First
13 Amendment right of voters and candidates to be heard in the
14 political process, undermines the First Amendment right of
15 voters to hear all candidates' speech, and undermines the core
16 First Amendment value of open and robust debate in the political
17 process.

18 (h) ~~Because of legislative reapportionment, most legislative~~
19 ~~campaigns are not competitive and thus candidates do not have to~~
20 ~~spend huge amounts of money to be elected. However, in~~
21 ~~competitive elections, costs can exceed one million dollars~~
22 ~~(\$1,000,000). This law is designed to address both situations by~~
23 ~~providing smaller amounts of public funds in noncompetitive~~
24 ~~raees and much larger amounts in competitive contests. By doing~~
25 ~~this, the California Clean Money and Fair Elections Act of 2006~~
26 ~~saves the taxpayers of California from unnecessarily expending~~
27 ~~large amounts of public moneys.~~

28 (i)

29 (f) In states where the clean money and clean election laws
30 have been enacted and used, election results show that more
31 individuals, especially women and minorities, run as candidates;
32 ~~voter turnout increases and overall campaign costs decrease.~~

33 (j) ~~The current campaign finance system creates a danger of~~
34 ~~actual corruption by encouraging elected officials to take funds~~
35 ~~from private interests that are directly affected by governmental~~
36 ~~actions.~~

37 91019. The people enact this chapter to accomplish the
38 following purposes:

39 (a) To reduce the *perception of* influence of large
40 contributions on the decisions made by state government.

1 (b) To remove wealth as a major factor affecting whether an
2 individual chooses to become a candidate.

3 (c) To provide a greater diversity of candidates to participate
4 in the electoral process.

5 ~~(d) To reverse the escalating cost of elections that have~~
6 ~~increased far beyond the increases in the cost of living.~~

7 ~~(e)~~

8 (d) To permit candidates to pursue policy issues instead of
9 being preoccupied with fundraising and allow officeholders more
10 time to carry out their official duties.

11 ~~(f)~~

12 (e) To diminish the danger of actual corruption or the public
13 perception of corruption and strengthen public confidence in the
14 governmental and election processes.

15 ~~(g)~~

16 (f) To ensure that independent expenditures are not used to
17 evade contribution limits.

18 91021. The people enact this chapter to further accomplish
19 the following purposes:

20 (a) To foster more equal and meaningful participation in the
21 political process.

22 (b) To provide candidates who participated in the program
23 with sufficient resources with which to communicate with voters.

24 (c) To increase the accountability of each elected official to
25 the constituents who elect him or her, ~~as opposed to the~~
26 ~~contributors who fund his or her campaigns.~~

27 (d) To provide voters with timely information regarding the
28 sources of campaign contributions, expenditures, and political
29 advertising.

30
31 Article 2. Applicability to the Political Reform Act of 1974

32
33 91023. Unless specifically superseded by this act, the
34 definitions and provisions of the Political Reform Act of 1974
35 shall govern the interpretation of this chapter.

36
37 Article 3. Definitions

38
39 91025. ~~(a) The contributions of an entity whose contributions~~
40 ~~are directed and controlled by any individual shall be aggregated~~

1 ~~with contributions made by that individual and any other entity~~
2 ~~whose contributions are directed and controlled by the same~~
3 ~~individual.~~

4 (b) ~~If two or more entities make contributions that are directed~~
5 ~~and controlled by a majority of the same persons, the~~
6 ~~contributions of those entities shall be aggregated.~~

7 (e) ~~Contributions made by entities that are majority-owned by~~
8 ~~any person shall be aggregated with the contributions of the~~
9 ~~majority owner and all other entities majority-owned by that~~
10 ~~person, unless those entities act independently in their decisions~~
11 ~~to make contributions.~~

12 91024. *“Address” means the mailing address as provided on*
13 *the voter registration form.*

14 91025. *For purposes of this chapter, “candidate” means,*
15 *unless otherwise stated, a candidate for elective state office as*
16 *defined in Chapter 2.*

17 91027. ~~“Coordination”~~ *A “coordinated expenditure” means a*
18 *payment made for a communication or anything of value that is*
19 *for the purpose of influencing the outcome of a state election and*
20 *that is made by any of the following methods:*

21 (a) *By a person in cooperation, consultation, or concert with,*
22 *at the request or suggestion of, or pursuant to a particular*
23 *understanding with a candidate, a candidate’s controlled*
24 *committee, or an agent acting on behalf of a candidate or a*
25 *controlled committee.*

26 (b) *By a person for the dissemination, distribution, or*
27 *republication, in whole or in part, of any broadcast or any*
28 *written, graphic, or other form of campaign material prepared by*
29 *a candidate, a candidate’s controlled committee, or an agent of a*
30 *candidate or a controlled committee.*

31 (c) *Based on specific information about the candidate’s plans,*
32 *projects, or needs provided to the person making the payment by*
33 *the candidate or the candidate’s agent who provides the*
34 *information with a view toward having the payment made.*

35 (d) *By a person if, in the same primary and general election in*
36 *which the payment is made, the person making the payment is*
37 *serving or has served as a member, employee, fundraiser, or*
38 *agent of the candidate’s controlled committee in an executive or*
39 *policymaking position.*

(e) By a person if the person making the payment has served in any formal policy or advisory position with the candidate's campaign or has participated in strategic or policymaking discussions with the candidate's campaign relating to the candidate's pursuit of nomination for election, or election, to a state office, in the same primary and general election as the primary and general election in which the payment is made.

(f) By a person if the person making the payment retains the professional services of an individual or person who, in a nonministerial capacity, has provided or is providing campaign-related services in the same election to a candidate who is pursuing the same nomination or election as any of the candidates to whom the communication refers.

91029. "Entity" means any person other than an individual.

91031. "Excess expenditure amount" means the amount of funds spent or obligated to be spent by a nonparticipating candidate in excess of the Clean Money amount available to a participating candidate running for the same office. If a participating candidate has made the choice specified in subdivision (c) of Section 91097 in an election where there is more than one participating candidate, then the Clean Money amount available to the participating candidate shall be considered to be the actual amount paid by the Clean Money Fund to the candidate for that primary or general election period, including any increase or decrease effected by the choice.

91033. "Exploratory period" means the period beginning 18 months before the primary election and ending on the last day of the qualifying period. The exploratory period begins before, but extends to the end of, the qualifying period.

91035. "General election campaign period" means the period beginning the day after the primary election and ending on the day of the general election.

91037. "Independent candidate" means a candidate who does not represent a political party that has been granted ballot status for the general election and who has qualified, *or is seeking to qualify*, to be on the general election ballot.

91039. "Independent electioneering—~~expenditures~~ expenditure" means any expenditure of two thousand five hundred dollars (\$2,500) or more made by a person, party committee, political committee or political action committee, or

1 any entity required to file reports pursuant to Section 84605,
2 during the 45 calendar days before a primary or the 60 calendar
3 days before a general election, which expressly advocates the
4 election or defeat of a clearly identified candidate or names or
5 depicts clearly identified candidates.

6 ~~91041. “Majority-owned” means an ownership of 50 percent~~
7 ~~or more.~~

8 91043. “Nonparticipating candidate” means a candidate who
9 is on the ballot but has chosen not to apply for Clean Money
10 campaign funding or a candidate who is on the ballot and has
11 applied but has not satisfied the requirements for receiving Clean
12 Money funding.

13 91045. “Office-qualified party” means a *political* party whose
14 gubernatorial nominee has received 10 percent or more of the
15 votes at the last election or whose candidate for the same office
16 in the same district, whether statewide or legislative, as the
17 current candidate seeking Clean Money funding received 10
18 percent or more of the votes at the last election.

19 91046. “Office-qualified candidate” is a candidate seeking
20 nomination ~~for a state office~~ from an office-qualified party.

21 91047. “One party dominant legislative district” is a district
22 in which the number of registered voters for the party with the
23 highest number of registered voters exceeds the number of
24 registered voters for each of the other parties by an amount no
25 less than 20 percent of the total number of registered voters in the
26 district.

27 91049. “Participating candidate” means a candidate who
28 qualifies for Clean Money campaign funding. These candidates
29 are eligible to receive Clean Money funding during primary and
30 general election campaign periods.

31 91051. “Party candidate” means a candidate who represents a
32 political party that has been granted ballot status and holds a
33 primary election to choose its nominee for the general election.

34 91052. “Adequately funded candidate” means a candidate
35 who is either a qualified candidate, a performance-qualified
36 candidate, a nonparticipating candidate who has received
37 contributions equaling at least 10 percent of the base funding
38 amounts of performance-qualified candidates for that primary or
39 general election, or a nonparticipating candidate in the general

1 election who was an adequately funded candidate in the primary
2 election.

3 91052.5. “Effective expenditures” for a nonparticipating
4 candidate means the amount spent plus any independent
5 *electioneering* expenditures treated as expenditures for that
6 candidate pursuant to Section 91095.5. For a participating
7 candidate, it means the amount of Clean Money funding the
8 candidate has received plus any independent *electioneering*
9 expenditures treated as expenditures for that candidate pursuant
10 to Section 91095.5.

11 91053. “Performance-qualified candidate” means either an
12 office-qualified candidate or a candidate who has shown a broad
13 base of support by gathering twice the number of qualifying
14 contributions as is required for an office-qualified candidate.
15 Independent candidates may qualify for funding as
16 performance-qualified candidates.

17 91055. “Petty cash” means cash amounts of one hundred
18 dollars (\$100) or less per day that are drawn on the Clean Money
19 Debit Card and used to pay expenses of no more than twenty-five
20 dollars (\$25) each.

21 ~~91057. “Political party committee” means the state central~~
22 ~~committee or county central committee of an organization that~~
23 ~~meets the requirements for recognition as a political party~~
24 ~~pursuant to Section 5100 of the Elections Code.~~

25 91059. “Primary election campaign period” means the period
26 beginning 120 days before the primary election and ending on
27 the day of the primary election.

28 91061. “Qualified candidate” means a candidate seeking
29 nomination ~~for elective state office~~ from a party that is not an
30 office-qualified party.

31 91063. “Qualifying contribution” means a contribution of
32 five dollars (\$5) that is received during the designated qualifying
33 period by a candidate ~~for elective state office~~ seeking to become
34 eligible for Clean Money campaign funding from a registered
35 voter of the district in which the candidate is running for office.

36 91065. “Qualifying period” means the period during which
37 candidates ~~for elective state office~~ are permitted to collect
38 qualifying contributions in order to qualify for Clean Money
39 funding. It begins 270 days before the primary election and ends
40 90 days before the day of the primary election for ~~qualified~~ party

1 candidates and begins any time after January 1 of the election
2 year and lasts 180 days but in no event ending later than 90 days
3 before the general election for performance-qualified candidates
4 who are running as independent candidates.

5 91067. “Seed money contribution” means a contribution of
6 no more than one hundred dollars (\$100) made by a California
7 registered voter during the exploratory period.

8 ~~91069. “Small contributor committee” means any committee~~
9 ~~that meets all of the following criteria:~~

10 ~~(a) The committee has been in existence for at least six~~
11 ~~months.~~

12 ~~(b) The committee has received contributions from 100 or~~
13 ~~more persons.~~

14 ~~(c) No one person has contributed to the committee more than~~
15 ~~two hundred dollars (\$200) per calendar year.~~

16 ~~(d) The committee makes contributions to five or more~~
17 ~~candidates.~~

18 ~~(e) The committee is not a candidate-controlled committee~~
19 ~~pursuant to Section 82016.~~

20 21 Article 4. Clean Money

22
23 91071. (a) An office-qualified candidate qualifies as a
24 participating candidate for the primary election campaign period
25 if the following requirements are met:

26 (1) The candidate files a declaration with the Commission that
27 the candidate has complied and will comply with all of the
28 requirements of this act, including the requirement that during
29 the exploratory period and the qualifying period the candidate not
30 accept or spend private contributions from any source other than
31 seed money contributions, *qualifying contributions*, Clean
32 Money funds, and political party funds as specified in Section
33 91123.

34 (2) The candidate meets the following qualifying contribution
35 requirements before the close of the qualifying period:

36 (A) The office-qualified ~~party~~ candidate collects at least the
37 following number of qualifying contributions:

38 (i) Five hundred qualifying contributions for a candidate
39 running for the office of Member of the Assembly.

1 (ii) One thousand qualifying contributions for a candidate
2 running for the office of Member of the State Senate.

3 (iii) One thousand five hundred qualifying contributions for a
4 candidate running for the office of member of the State Board of
5 Equalization.

6 (iv) Seven thousand five hundred qualifying contributions for
7 a candidate running for any statewide office other than Governor.

8 (v) Twenty-five thousand qualifying contributions for a
9 candidate running for the office of Governor.

10 ~~(B) No registered voter shall provide more than one qualifying~~
11 ~~contribution for each office for which he or she is eligible to~~
12 ~~vote.~~

13 ~~(C)~~

14 (B) Each qualifying contribution shall be acknowledged by a
15 receipt to the contributor, with a copy submitted ~~to the~~
16 ~~Commission by the candidate by the candidate to the county~~
17 ~~registrar of voters in the county where the candidate files his or~~
18 ~~her declaration of candidacy.~~ The receipt shall include the
19 contributor's signature, printed name, and ~~home~~ address, the
20 date, and the name of the candidate on whose behalf the
21 contribution is made. In addition, the receipt shall indicate by the
22 contributor's signature that the contributor understands that ~~he or~~
23 ~~she may contribute a qualifying contribution to only one~~
24 ~~candidate for each office for which the contributor is eligible to~~
25 ~~vote, that the purpose of the qualifying contribution is to help the~~
26 ~~candidate qualify for Clean Money campaign funding, and that~~
27 ~~the contribution is made without coercion or reimbursement.~~

28 ~~(D)~~

29 (C) A contribution submitted as a qualifying contribution that
30 does not include a signed and fully completed receipt shall not be
31 counted as a qualifying contribution.

32 ~~(E)~~

33 (D) All five-dollar (\$5) qualifying contributions, whether in
34 the form of cash, check, or money order made out to the
35 candidate's campaign account, shall be deposited by the
36 candidate in the candidate's campaign account.

37 ~~(F)~~

38 (E) All qualifying contributions' signed receipts shall be sent
39 ~~to the Commission~~ *county registrar of voters in the county where*
40 *the candidate files his or her declaration of candidacy* and shall

1 be accompanied by a check *or other written instrument* from the
2 candidate's campaign account for the total amount of qualifying
3 contribution funds received for deposit in the Clean Money Fund.
4 This submission shall be accompanied by a signed statement
5 from the candidate indicating that all of the information on the
6 qualifying contribution receipts is complete and accurate to the
7 best of the candidate's knowledge and that the amount of the
8 enclosed check *or other written instrument* is equal to the sum of
9 all of the five-dollar (\$5) qualifying contributions the candidate
10 has received. *County registrars of voters shall forward these*
11 *checks or other written instruments to the Commission.*

12 (b) A ~~candidate for state elective office~~ qualifies as a
13 participating candidate for the general election campaign period
14 if both of the following requirements are met:

15 (1) The candidate met all of the applicable requirements and
16 filed a declaration with the Commission that the candidate has
17 fulfilled and will fulfill all of the requirements of a participating
18 candidate as stated in this act.

19 (2) As a participating party candidate ~~for elective state office~~
20 during the primary election campaign period, the candidate had
21 the highest number of votes of the candidates contesting the
22 primary election from the candidate's respective party and,
23 therefore, won the party's nomination.

24 91073. A qualified candidate shall collect at least one half of
25 the number of qualifying contributions as required for an
26 office-qualified candidate for the same office. A qualified
27 candidate may show a greater base of support by collecting
28 double the amount of ~~signatures~~ *qualifying contributions* as
29 required for an office-qualified candidate to become a
30 performance-qualified candidate. The candidate shall also file a
31 declaration with the Commission that the candidate has complied
32 and will comply with all of the requirements of this act.

33 (b) An independent candidate who does not run in a primary
34 may become a performance-qualified candidate by collecting
35 twice as many ~~signatures~~ *qualifying contributions* as required of
36 an office-qualified candidate. The qualifying period for such
37 candidates shall begin any time after January 1 of the election
38 year and shall last 180 days, except that it shall end no later than
39 90 days before the general election. ~~A candidate who is not an~~
40 ~~office-qualified candidate~~ *An independent candidate* shall notify

1 the ~~commission~~ *Commission* within 24 hours of the day when the
2 candidate has begun collecting qualifying contributions. The
3 candidate shall also file a declaration with the Commission that
4 he or she has complied and will comply with all of the
5 requirements of this chapter.

6 91075. During the first election that occurs after the effective
7 date of this act, a candidate ~~for elective state office~~ may be
8 certified as a participating candidate, notwithstanding the
9 acceptance of contributions or making of expenditures from
10 private funds before the date of enactment that would, absent this
11 section, disqualify the candidate as a participating candidate,
12 provided that any private funds accepted but not expended before
13 the effective date of this act meet any of the following criteria:

- 14 (a) Are returned to the contributor.
15 (b) Are held in a ~~special campaign~~ *segregated* account and
16 used only for retiring a debt from a previous campaign.
17 (c) Are submitted to the Commission for deposit in the Clean
18 Money Fund.

19 91077. A participating candidate who accepts any benefits
20 during the primary election campaign period shall comply with
21 all of the requirements of this act through the general election
22 campaign period whether the candidate continues to accept
23 benefits or not.

24 91079. (a) During the primary and general election campaign
25 periods, a participating candidate who has voluntarily agreed to
26 participate in, and has become eligible for, Clean Money
27 benefits, shall not accept private contributions from any source
28 other than the candidate's political party as specified in Section
29 91123.

30 (b) During the qualifying period and the primary and general
31 election campaign periods, a participating candidate who has
32 voluntarily agreed to participate in, and has become eligible for,
33 Clean Money benefits shall not solicit or receive ~~political~~
34 contributions for any other candidate or for any political party or
35 other political committee.

36 (c) No person shall make a contribution in the name of another
37 person. A participating candidate who receives a qualifying
38 contribution or a seed money contribution that is not from the
39 person listed on the receipt required by subparagraph (D) of
40 paragraph (2) of subdivision (a) of Section 91071 shall be liable

1 to pay the Commission the entire amount of the inaccurately
2 identified contribution, in addition to any penalties.

3 (d) During the primary and general election campaign periods,
4 a participating candidate shall pay for all of the candidate's
5 campaign expenditures, except petty cash expenditures, by means
6 of a "Clean Money Debit Card" issued by the Commission, as
7 authorized under Section 91137.

8 (e) ~~Eligible-Participating~~ candidates shall furnish complete
9 campaign records, ~~including all records of seed money~~
10 ~~contributions and qualifying contributions~~, to the Commission at
11 ~~regular filing times upon request~~. Candidates shall cooperate
12 with any audit or examination by the Commission, the Franchise
13 Tax Board, or any enforcement agency.

14 91081. (a) ~~During an election~~ *the primary election period*
15 *and the general election period*, each participating candidate
16 shall conduct all campaign financial activities through a single
17 campaign account.

18 (b) Notwithstanding Section 85201, a participating candidate
19 may maintain a campaign account other than the campaign
20 account described in subdivision (a) if the other campaign
21 account is for the purpose of retiring a ~~campaign debt~~ *net debt*
22 *outstanding* that was incurred during a previous election
23 campaign in which the candidate was not a participating
24 candidate.

25 (c) Contributions for the purposes of retiring a previous
26 campaign debt that are deposited in the "other campaign
27 account" described in subdivision (b) shall not be considered
28 "contributions" to the candidate's current campaign. Those
29 contributions shall only be raised during the six-month period
30 following the date of the election.

31 ~~(d) Participating candidates shall file reports of financial~~
32 ~~activity related to the current election cycle separately from~~
33 ~~reports of financial activity related to previous election cycles.~~

34 91083. (a) Participating candidates shall use their Clean
35 Money funds only for direct campaign purposes.

36 (b) A participating candidate shall not use Clean Money funds
37 for any of the following:

38 (1) Costs of legal defense ~~in~~ *or fines resulting from* any
39 campaign law enforcement proceeding under this act.

(2) Indirect campaign purposes, including, but not limited to, the following:

(A) The candidate's personal support or compensation to the candidate or the candidate's family.

(B) The candidate's personal appearance.

~~(C) Capital assets having a value in excess of five hundred dollars (\$500) and useful life extending beyond the end of the current election period determined in accordance with generally accepted accounting principles, except that a candidate may purchase computer-related assets worth \$1,000 or less.~~

~~(D)~~

(C) A contribution or loan to the campaign committee of another candidate or to a party committee or other political committee.

~~(E)~~

(D) An independent *electioneering* expenditure.

~~(F)~~

(E) A gift in excess of twenty-five dollars (\$25) per person.

~~(G)~~

(F) Any payment or transfer for which compensating value is not received.

91085. (a) Personal funds contributed as seed money by a candidate seeking to become eligible as a participating candidate or by adult members of the candidate's family shall not exceed the maximum of one hundred dollars (\$100) per contributor.

(b) Personal funds shall not be used to meet the qualifying contribution requirement except for one five-dollar (\$5) contribution from the candidate and one five-dollar (\$5) contribution from the candidate's spouse.

91087. (a) The only private contributions a candidate seeking to become eligible for Clean Money funding shall accept, other than qualifying contributions and limited contributions from the candidate's political party as specified in Section 91123, are seed money contributions contributed by duly registered voters in the district in which the candidate is running for election prior to the end of the qualifying period.

(b) A seed money contribution shall not exceed one hundred dollars (\$100) per donor, and the aggregate amount of seed money contributions accepted by a candidate seeking to become eligible for Clean Money funding shall not exceed:

1 (1) Ten thousand dollars (\$10,000) for a candidate running for
2 the office of Member of the Assembly.

3 (2) Twenty thousand dollars (\$20,000) for a candidate running
4 for the office of Member of the State Senate.

5 (3) Thirty thousand dollars (\$30,000) for a candidate running
6 for the office of member of the State Board of Equalization.

7 (4) Seventy-five thousand dollars (\$75,000) for a candidate
8 running for a statewide office other than Governor.

9 (5) Two hundred fifty thousand dollars (\$250,000) for a
10 candidate running for the office of Governor.

11 (c) Receipts for seed money contributions ~~under twenty-five~~
12 ~~dollars (\$25)~~ shall include the contributor's signature, printed
13 name, ~~street~~ address, and ZIP Code. ~~Receipts for seed money~~
14 ~~contributions of twenty-five dollars (\$25) or more shall also~~
15 ~~include the contributor's occupation and name of employer.~~
16 ~~Contributions shall not be retained if the required disclosure~~
17 ~~information is not received. Receipts described in this~~
18 ~~subdivision shall be made available to the Commission upon~~
19 ~~request.~~

20 (d) Seed money shall be spent only during the exploratory and
21 qualifying periods. Seed money shall not be spent during the
22 primary or general election campaign periods, *except when they*
23 *overlap with the candidate's qualifying period.* Any unspent seed
24 money shall be turned over to the ~~commission~~ Commission for
25 deposit in the Clean Money Fund.

26 (e) Within 72 hours after the close of the qualifying period,
27 candidates seeking to become eligible for Clean Money funding
28 shall do both of the following:

29 (1) Fully disclose all seed money contributions and
30 expenditures to the ~~commission~~ Commission.

31 (2) Turn over to the Commission for deposit in the Clean
32 Money Fund any seed money the candidate has raised during the
33 exploratory period that exceeds the aggregate seed money limit.

34 91091. Participating candidates in contested races shall agree
35 to participate in at least one public debate during a contested
36 primary election and two public debates during a contested
37 general election, to be conducted pursuant to regulations
38 promulgated by the Commission.

39 91093. (a) No more than five *business* days after a candidate
40 applies for Clean Money benefits, the ~~Commission~~ county

1 *registrar of voters in the county where the candidate files his or*
2 *her declaration of candidacy* shall certify that the candidate is or
3 is not eligible. Eligibility may be revoked if the candidate
4 violates the requirements of this act, in which case all Clean
5 Money funds shall be repaid.

6 (b) The candidate's request for certification shall be signed by
7 the candidate and the candidate's campaign treasurer under
8 penalty of perjury.

9 ~~(c) The Commission's certification determination of the~~
10 *county registrar of voters* is final except that it is subject to a
11 prompt judicial review.
12

13 Article 5. Clean Money Benefits

14

15 91095. (a) Candidates for elective state office who qualify
16 for Clean Money funding for primary and general elections shall:

17 (1) Receive Clean Money funding from the Commission for
18 each election in an amount specified by Section 91099. This
19 funding may be used to finance campaign expenses during the
20 particular campaign period for which it was allocated consistent
21 with Section 91081. In any election in which there are initially no
22 adequately funded competing candidates, the participating
23 performance-qualified candidate shall receive 20 percent of the
24 base funding amount specified in Section 91099. If a competing
25 candidate in the same election later becomes an adequately
26 funded candidate, ~~those the performance-qualified~~ candidate
27 shall receive additional Clean Money funds sufficient to ~~equal~~
28 *bring his or her total Clean Money funds received to* the normal
29 base amount of Clean Money funding allocated pursuant to
30 Section 91099.

31 (2) Receive, if a performance-qualified candidate, additional
32 Clean Money funding to match any excess expenditure by a
33 nonparticipating candidate in the election, as specified in Section
34 91107, provided that the nonparticipating candidate's aggregate
35 effective expenditures exceed the previous highest aggregate
36 effective expenditures of any candidate in the race. The excess is
37 defined as the amount the new expenditure causes the
38 nonparticipating candidate's aggregate effective expenditures to
39 exceed the previous highest effective expenditures of any
40 candidate in the election.

1 (3) Receive, if a performance-qualified candidate, additional
2 Clean Money funding to match any excess independent
3 *electioneering* expenditure made in support of opponents'
4 candidacies in their race, as specified in Section 91109, provided
5 that the expenditure makes the aggregate effective expenditures
6 of any opposing candidate who benefits from the independent
7 *electioneering* expenditure exceed the previous highest aggregate
8 effective expenditures of any candidate in the race. The excess is
9 defined as the amount the independent *electioneering*
10 expenditure causes the opposing candidate's aggregate effective
11 expenditures to exceed the previous highest effective
12 expenditures of any candidate in the election.

13 (4) Receive, if a performance-qualified candidate, additional
14 Clean Money funding to match any excess independent
15 *electioneering* expenditure made in opposition to their candidacy,
16 as specified in Section 91109, provided that the expenditure
17 makes the new aggregate effective expenditures of any candidate
18 running for that office exceed the highest aggregate effective
19 expenditures of any candidate running for that office. The excess
20 is defined as the amount the independent *electioneering*
21 expenditure causes the opposing candidate's aggregate effective
22 expenditures to exceed the previous highest effective
23 expenditures of any candidate running for that office.

24 (5) Receive, if a performance-qualified candidate running in a
25 primary election, additional Clean Money funding to match 50
26 percent of any excess effective expenditures by either
27 nonparticipating or participating candidates running for the same
28 office outside of their party's primary, as disclosed pursuant to
29 Section 91107, provided that the new aggregate effective
30 expenditures exceeds the highest aggregate effective
31 expenditures of any candidate running for that office. The excess
32 is defined as the amount the new effective expenditure causes the
33 nonparticipating candidate's aggregate effective expenditures to
34 exceed the previous highest effective expenditures of any
35 candidate running for that office. If no party has more than one
36 adequately-funded candidate running for their primary, then the
37 candidate shall receive 100 percent of any excess effective
38 expenditures spent by either nonparticipating or participating
39 candidates running for the same office outside of their party's
40 primary.

(b) The maximum aggregate amount of funding a participating performance-qualified candidate shall receive to match independent *electioneering* expenditures and excess expenditures of nonparticipating candidates shall not exceed five times the base amount of Clean Money funding allocated to performance-qualified candidate pursuant to Section 91099 for a particular primary or general election campaign period, except that for the office of Governor, the amount shall be no more than four times the base amount of Clean Money funding allocated to a performance-qualified candidate pursuant to Section 91099.

91095.5. (a) Independent *electioneering* expenditures against a participating candidate shall be treated as expenditures of every other candidate running for that office for the purposes of Section 91095.

(b) Independent *electioneering* expenditures in favor of one or more non-participating candidates running for an office shall be treated as expenditures of those non-participating candidates for the purpose of Section 91095.

(c) Independent *electioneering* expenditures in favor of a participating candidate shall be treated, for every other participating candidate running for that office, as though the independent expenditures were an expenditure of a nonparticipating opponent, for purposes of Section 91095.

(d) Expenditures by a non-participating candidate in a primary election against a participating candidate running for that office in another party's primary shall be treated as an independent *electioneering* expenditure against that participating candidate.

(e) The Commission shall promulgate regulations allocating the share of expenditures that reference or depict more than one candidate for the purposes of Section 91095.

(f) *Expenditures made before the general election period that consist of a contract, promise, or agreement to make an expenditure during the general election period resulting in an extension of credit shall be treated as though made at the beginning of the general election period.*

91097. (a) ~~An eligible qualified or office-qualified candidate shall receive the candidate's Clean Money funding for the primary election campaign period on the date on which the Commission certifies the candidate as a participating candidate. This certification shall take place no later than five days after the~~

1 ~~candidate has submitted the required number of qualifying~~
2 ~~contribution receipts, a check for the total amount of qualifying~~
3 ~~contributions collected, and a declaration stating that the~~
4 ~~candidate has complied with all other requirements for eligibility~~
5 ~~as a participating candidate, but no earlier than the beginning of~~
6 ~~the primary election campaign period.~~ *performance-qualified*
7 *candidate running in a primary election shall receive the*
8 *candidate's Clean Money funding for the primary election*
9 *campaign period on the date on which the county registrar of*
10 *voters certifies the candidate as a participating candidate or at*
11 *the beginning of the primary election period, whichever is later.*

12 (b) An eligible qualified or performance-qualified candidate
13 shall receive the candidate's Clean Money funding for the
14 general election campaign period within two business days after
15 certification of the primary election results.

16 (c) A participating candidate for Legislature running in the
17 primary of the dominant party in a one-party dominant district
18 may choose to reallocate a portion of the Clean Money funding
19 amount from the general election period to the primary *election*
20 period. The candidate shall make this choice in a writing
21 submitted to the Commission with the materials specified in
22 subdivision (a) at the close of the qualifying period. The
23 participating candidate who makes such a choice shall receive an
24 additional amount equal to 25 percent of the amount specified for
25 the general election for the appropriate office as set forth in
26 subdivision (b) of Section 91099. The amount a participating
27 candidate who makes such a choice shall receive at the beginning
28 of the general election period shall be reduced by 25 percent. The
29 choice may also affect the amount at which an opposing
30 candidate may be considered to have exceeded the amount of
31 Clean Money funding available to the participating candidate. If
32 a competing participating candidate transfers funds pursuant to
33 this subdivision from the general to the primary election by the
34 close of the qualifying period, any other participating candidate
35 in the same election may transfer the same amount of funds from
36 the general to the primary election by notifying the ~~commission~~
37 *Commission* in writing within five days of the close of the
38 qualifying period. The Commission, by regulation, shall require
39 candidates to notify the Commission and affected candidates of
40 these transfers.

1 91099. (a) For eligible candidates in a primary election:

2 (1) The base amount of Clean Money funding for an eligible
3 performance-qualified ~~party~~ candidate who is facing at least one
4 adequately funded opponent in a primary, special, or special
5 runoff election is:

6 (A) Two hundred fifty thousand dollars (\$250,000) for a
7 candidate running for the office of Member of the Assembly.

8 (B) Five hundred thousand dollars (\$500,000) for a candidate
9 running for the office of Member of the State Senate.

10 (C) ~~Two hundred fifty~~ *Five hundred* thousand dollars
11 ~~(\$250,000)~~ *(\$500,000)* for a candidate running for the office of
12 member of the State Board of Equalization.

13 (D) Two million *five hundred thousand* dollars ~~(\$2,000,000)~~
14 *(\$2,500,000)* for a candidate running for a statewide office other
15 than Governor ~~or~~.

16 (E) *Ten million dollars (\$10,000,000)* for a candidate running
17 *for Governor*.

18 (2) The amount of Clean Money funding for an ~~eligible~~
19 eligible qualified candidate in a primary election is 20 percent of
20 the base amount that a performance-qualified candidate who is
21 facing at least one adequately funded opponent would receive.

22 (b) For eligible candidates in a general election:

23 (1) The base amount of Clean Money funding for an
24 performance-qualified candidate who is facing at least one
25 adequately funded opponent in a general election is:

26 (A) Four hundred thousand dollars (\$400,000) for a candidate
27 running for the office of Member of the Assembly.

28 (B) Eight hundred thousand dollars (\$800,000) for a candidate
29 running for the office of Member of the State Senate.

30 (C) ~~Four~~ *Eight* hundred thousand dollars ~~(\$400,000)~~
31 *(\$800,000)* for a candidate running for the office of member of
32 the State Board of Equalization.

33 (D) Two million dollars (\$2,000,000) for a candidate running
34 for a statewide office other than Governor.

35 (E) Fifteen million dollars ~~(\$15,000)~~ *(\$15,000,000)* for a
36 candidate running for Governor.

37 (2) The amount of Clean Money funding for an eligible
38 qualified candidate in a contested general election is 25 percent
39 of the base amount a performance-qualified candidate who is

1 facing at least one adequately funded candidate running for the
2 same office could receive.

3
4 Article 6. Disclosure Requirements
5

6 91107. (a) If a nonparticipating candidate's total
7 expenditures or promises to make campaign expenditures exceed
8 the amount of Clean Money funding allocated to the candidate's
9 Clean Money opponent or opponents, the candidate shall declare
10 every excess expenditure amount which, in the aggregate, is
11 more than five thousand dollars (\$5,000) to the ~~commission~~
12 *Commission* online or electronically within 24 hours of the time
13 the expenditure or promise is made, whichever occurs first.

14 (b) The Commission may make its own determination as to
15 whether excess expenditures have been made by nonparticipating
16 candidates.

17 (c) Upon receiving an excess expenditure declaration or
18 determining that an excess expenditure has been made, the
19 ~~commission~~ *Commission* shall immediately release additional
20 Clean Money funding to the opposing ~~participating~~
21 ~~performance-qualified and office-qualified candidates.~~ The
22 amount released shall be equal to the excess expenditure amount
23 the nonparticipating candidate has spent or has obligated to
24 spend. ~~The maximum aggregate amount of additional funding a~~
25 ~~participating candidate receives to match the total of independent~~
26 ~~expenditures and the excess expenditures of nonparticipating~~
27 ~~candidates is no more than an additional 500 percent of the~~
28 ~~participating candidate's actual initial Clean Money funding~~
29 ~~allocation for the relevant office.~~

30 ~~91109. (a) In addition to any other report required by this~~
31 ~~chapter, a committee, including a political party committee, that~~
32 ~~is required to file reports pursuant to Section 84605 and that~~
33 ~~makes independent expenditures of one thousand dollars~~
34 ~~(\$1,000) or more during an election cycle in connection with a~~
35 ~~candidate, shall file online or electronically a report with the~~
36 ~~commission disclosing the making of the independent~~
37 ~~expenditure. This report shall disclose the same information~~
38 ~~required by subdivision (b) of Section 84204 and shall be filed~~
39 ~~within 24 hours of the time the independent expenditure is made.~~

~~(b) The report to the Commission shall include a signed statement under penalty of perjury by the person or persons making the independent expenditure identifying the candidate or candidates whom the independent expenditure is intended to help elect or defeat and affirming that the expenditure is independent and whether it is coordinated with a candidate or a political party.~~

~~(c) Any individual or organization that fails to file the required report to the Commission or provides materially false information in a report filed pursuant to subdivision (a) or (b) may be fined up to three times the amount of the independent expenditure, in addition to any other remedies provided by this act.~~

~~(d) Upon receiving a report that an independent expenditure has been made or obligated to be made, the commission shall immediately release additional Clean Money funding, equal in amount to the cost of the independent expenditure, to all participating candidates whom the independent expenditure is intended to oppose or defeat in that specific primary or general election, provided that:~~

~~(1) The dollar value of the independent expenditure, combined with the amount raised or received thus far by any opposing candidate who benefits from the independent expenditure, exceeds the original actual Clean Money funding amount received by the participating candidate.~~

~~(2) The maximum aggregate amount of additional funding a participating candidate receives to match the total of independent expenditures and the excess expenditures of nonparticipating candidates is no more than an additional 500 percent of the participating candidate's initial Clean Money funding allocation.~~

~~(e) A controlled committee of a candidate shall not make independent expenditures and shall not contribute funds to other expenditures to support or oppose other candidates: performance-qualified candidates pursuant to Section 91095.~~

91111. (a) In addition to any other report required by this chapter, a committee, including a political party committee, that is required to file reports pursuant to Section 84605 and that makes independent electioneering expenditures of one thousand dollars (\$1,000) or more during ~~an election cycle~~ *a calendar year* in connection with a candidate, shall file online or electronically a report with the ~~commission~~ *Secretary of State* disclosing the

1 making of the independent electioneering expenditure. This
2 report shall disclose the same information required by
3 subdivision (b) of Section 84204 and shall be filed within 24
4 hours of the time the independent *electioneering* expenditure is
5 made.

6 (b) The report to the ~~Commission~~ *Secretary of State* shall
7 include a signed statement under penalty of perjury by the person
8 or persons making the independent electioneering expenditure
9 identifying the candidate or candidates whom the independent
10 electioneering expenditure is intended to help elect or defeat and
11 affirming that the expenditure is independent and whether it is
12 coordinated with a candidate or a political party.

13 (c) Any individual or organization that fails to file the required
14 report to the ~~commission~~ *Secretary of State* or provides
15 materially false information in a report filed pursuant to
16 subdivision (a) or (b) may be fined up to three times the amount
17 of the independent electioneering expenditure, in addition to any
18 other remedies provided by this act.

19 (d) *The Secretary of State shall provide information received*
20 *pursuant to subdivision (a) to the Commission simultaneously*
21 *upon receipt.* Upon receiving a report that an independent
22 electioneering expenditure has been made or obligated to be
23 made, the ~~commission~~ *Commission* shall immediately release
24 additional Clean Money funding, ~~equal in amount to the cost of~~
25 ~~the independent electioneering expenditure, to all participating~~
26 ~~candidates whom the independent electioneering expenditure is~~
27 ~~intended to oppose or defeat in that specific primary or general~~
28 ~~election, provided that:~~

29 (1) ~~The dollar value of the independent electioneering~~
30 ~~expenditure, combined with the amount raised or received thus~~
31 ~~far by any opposing candidate who benefits from the independent~~
32 ~~electioneering expenditure, exceeds the original actual Clean~~
33 ~~Money funding amount received by the participating candidate.~~

34 (2) ~~The maximum aggregate amount of additional funding a~~
35 ~~participating candidate receives to match the total of independent~~
36 ~~electioneering expenditures and the excess expenditures of~~
37 ~~nonparticipating candidates is no more than an additional 500~~
38 ~~percent of the participating candidate's initial Clean Money~~
39 ~~funding allocation. funding pursuant to Section 91095.~~

1 91112. If an inadequately funded candidate receives a
2 contribution which makes him or her an adequately funded
3 candidate, within 24 hours he or she shall electronically disclose
4 to the Commission the cumulative amount of contributions
5 received. Within 24 hours of receipt of this disclosure, the
6 Commission shall deposit into the Clean Money accounts of the
7 participating candidates in that election an amount sufficient to
8 ~~equal~~ *bring the total Clean Money funds received by each up to*
9 the base amounts specified in Section 91099.

10 91113. All broadcast and print advertisements placed by
11 candidates or their committees shall include a clear written or
12 spoken statement indicating that the candidate has approved of
13 the contents of the advertisement.

14
15 Article 7. Legal Defense, Officeholder, and Inaugural Funds
16

17 91115. (a) ~~A~~ *Notwithstanding Section 85316*, a candidate or
18 elected state officer may establish a separate account to defray
19 attorney's fees and other related legal costs incurred for the
20 candidate's or elected state officer's legal defense if the
21 candidate or elected state officer is subject to one or more civil or
22 criminal proceedings or administrative proceedings arising
23 directly out of the conduct of an election campaign, the electoral
24 process, or the performance of the elected state officer's
25 governmental activities and duties. These funds may be used
26 only to defray those attorney's fees and other related legal costs.

27 (b) An elected state officer may establish a separate account to
28 ~~defray officeholder expenses that are set forth by the~~
29 ~~commission. No funds from this account shall be used for a mass~~
30 ~~mailing. No elected state officer accounts shall for expenses~~
31 *associated with holding office that are reasonably related to a*
32 *legislative or governmental purpose as specified in this*
33 *subdivision and in regulations of the Commission. The total*
34 *amount of funds that may be deposited in a calendar year into an*
35 *account established pursuant to this subdivision shall not exceed*
36 *fifty thousand dollars (\$50,000) at any time.*

37 (c) A Governor, Lieutenant Governor, or other statewide
38 officer may establish an inaugural account to cover the cost of
39 events, celebrations, gatherings, and communications that take
40 place as part of, or in honor of, the officer's inauguration.

1 ~~(d) A candidate or elected state officer may receive~~
2 ~~contributions of up to five hundred dollars (\$500) per person per~~
3 ~~year in the aggregate for accounts in subdivisions (a), (b), and (c)~~

4 ~~(d) The maximum amount of contributions a candidate or~~
5 ~~elected state officer may receive from a contributor in a calendar~~
6 ~~year for all of the accounts described in subdivisions (a), (b), and~~
7 ~~(c) combined is five hundred dollars (\$500). All contributions,~~
8 ~~whether cash or in kind, shall be reported in a manner prescribed~~
9 ~~by the Commission. Contributions to such funds shall not be~~
10 ~~considered campaign contributions.~~

11 ~~(e) Once the legal dispute is resolved or the elected state~~
12 ~~officer leaves office, the candidate shall dispose of any funds~~
13 ~~remaining after all expenses associated with the dispute are~~
14 ~~discharged or after the elected state officer leaves office, for one~~
15 ~~or more of the purposes set forth in paragraphs (1) to (5),~~
16 ~~inclusive, of subdivision (b) of Section 89519.~~

17
18 Article 8. Restrictions on Candidates
19

20 ~~91119. A nonparticipating candidate may transfer campaign~~
21 ~~funds from one controlled committee to a controlled committee~~
22 ~~for elective state office of the same nonparticipating candidate.~~
23 ~~Contributions transferred shall be attributed to specific~~
24 ~~contributors using a “last in, first out” or “first in, first out”~~
25 ~~accounting method.~~

26 ~~91121. A nonparticipating candidate may accept a~~ *an*
27 ~~otherwise lawful contribution after the date of the election only to~~
28 ~~the extent that the contribution does not exceed net debts~~
29 ~~outstanding from the election and the contribution does not~~
30 ~~otherwise exceed the applicable contribution limit for that~~
31 ~~election. All debts shall be repaid or written off no later than 90~~
32 ~~days after the general election.~~

33 ~~91123. Candidates—~~ *Participating candidates* may accept
34 monetary or in-kind contributions from political parties provided
35 that the aggregate amount of such contributions from all political
36 party committees combined does not exceed the equivalent of 5
37 percent of the original Clean Money financing allotment for that
38 office for that election. Such expenditures shall not count against
39 the moneys spent by Clean Money candidates.

Article 9. Ballot Pamphlet Statements

91127. The Secretary of State shall designate in the state ballot pamphlet and on any Internet Web site listing of candidates maintained by any government agency including, but not limited, to the Secretary of State those candidates who have voluntarily agreed to be participating candidates.

91131. (a) A candidate for statewide elective office who is a participating candidate may place a statement in the state ballot pamphlet, and a candidate for the Assembly, Senate, or Board of Equalization who is a participating candidate may place a statement in the voter information portion of the sample ballot, that does not exceed 250 words. The statement shall not make any reference to any opponent of the candidate. The candidate may also provide a list of up to 10 endorsers for placement in the state ballot pamphlet or sample ballot, as appropriate. This statement and list of endorsers shall be submitted in accordance with timeframes and procedures set forth by the Secretary of State for the preparation of the state ballot pamphlets and by county elections officials for the preparation of sample ballots.

(b) A nonparticipating candidate for statewide elective office may pay to place a statement in the state ballot pamphlet that does not exceed 250 words, and a nonparticipating candidate for the Assembly, Senate, or Board of Equalization may pay to place a statement in the voter information portion of the sample ballot that does not exceed 250 words. A nonparticipating candidate may also pay to place a list of up to 10 endorsers in the state ballot pamphlet or sample ballot, as appropriate. The statement shall not make any reference to any opponent of the candidate. This statement and list of endorsers shall be submitted in accordance with timeframes and procedures set forth by the Secretary of State for the preparation of the state ballot pamphlets and by county elections officials for the preparation of sample ballots. The nonparticipating candidate shall be charged the pro rata cost of printing, handling, translating, and mailing any ~~campaign~~ *ballot pamphlet* statement and list of endorsers provided pursuant to this subdivision.

Article 10. Appropriations for the Clean Money Fund

91133. (a) A special, dedicated, nonlapsing Clean Money Fund is created in the State Treasury. Commencing with the fiscal year beginning on July 1, 2008, an amount equal to one cent (\$0.01) per day times the number of California residents 18 years of age or older is hereby transferred annually from the General Fund to the Clean Money Fund and, notwithstanding Section 13340, continuously appropriated from the Clean Money Fund to the ~~commission~~ *Commission* for expenditure for the purpose of providing public financing for the election campaigns of certified participating candidates during primary and general campaign periods.

(b) Funding for the administrative and enforcement costs of the ~~commission~~ *Commission* related to this act shall be subject to appropriation by the Legislature.

91135. Other sources of revenue to be deposited in the Clean Money Fund shall include all of the following:

(a) The qualifying contributions required of candidates seeking to become certified as participating candidates and candidates' excess qualifying contributions.

(b) The excess seed money contributions of candidates seeking to become certified as participating candidates.

(c) Unspent funds distributed to any participating candidate who does not remain a candidate until the primary or general election for which they were distributed, or funds that remain unspent by a participating candidate following the date of the primary or general election for which they were distributed.

(d) Voluntary donations made directly to the Clean Money Fund.

(e) Other funds appropriated by the Legislature.

(f) Any interest generated by the Clean Money Fund.

(g) Any other sources of revenue from the General Fund or from other sources as determined by the Legislature.

91136. The amount of moneys in the Clean Money Fund shall not exceed four times the ~~maximum~~ annual contribution specified in subdivision (a) of Section 91133. Any moneys that, if deposited in the Clean Money Fund, would cause the balance in that fund to exceed this limit shall be irrevocably transferred to the General Fund.

Article 11. Administration

91137. (a) Upon a determination that a candidate has met all the requirements for becoming a participating candidate as provided for in this act, the Commission shall issue to the candidate a card, known as the “Clean Money Debit Card,” and a “line of debit” entitling the candidates and members of the candidate’s staff to draw Clean Money funds from a Commission account to pay for all campaign costs and expenses up to the amount of Clean Money funding the candidate has received.

(b) Neither a participating candidate nor any other person on behalf of a participating candidate shall pay campaign costs by cash, check, money order, loan, or by any other financial means other than the Clean Money Debit Card.

(c) Cash amounts of one hundred dollars (\$100) or less per day may be drawn on the Clean Money Debit Card and used to pay expenses of no more than twenty-five dollars (\$25) each. Records of all such expenditures shall be maintained and ~~reported~~, *upon request, made available* to the Commission.

91139. If the ~~commission~~ *Commission* determines that there are insufficient funds in the program to fund adequately all candidates eligible for Clean Money funds, the ~~commission~~ *Commission* shall reduce the grants proportionately to all eligible candidates. If the ~~commission~~ *Commission* notifies a candidate that the Clean Money funds will be reduced and the candidate has not received any Clean Money funds, the candidate may decide to be a nonparticipating candidate. If a candidate has already received Clean Money funds or wishes to start receiving such funds, a candidate who wishes to collect contributions may do so in amounts up to the contribution limits provided for nonparticipating candidates but shall not collect more than the total of Clean Money funds that the candidate was entitled to receive had there been sufficient funds in the program less the amount of Clean Money funds that will be or have been provided. If, at a later point, the ~~commission~~ *Commission* determines that adequate funds have become available, candidates, who have not raised private funds, shall receive the funds owed to them.

Article 12. Enforcement

1 91141. (a) If a participating candidate spends or obligates to
2 spend more than the Clean Money funding the candidate is given,
3 and if it is determined by the ~~commission~~ *Commission*, subject to
4 court review, not to be an amount that had or could have been
5 expected to have a significant impact on the outcome of the
6 election, then the candidate shall repay to the Clean Money Fund
7 an amount equal to the excess.

8 (b) If a participating candidate spends or obligates to spend
9 more than the Clean Money funding the candidate is given, and if
10 that excess amount is determined by the ~~commission~~
11 *Commission*, subject to court review, to be an amount that had or
12 could have been expected to have a significant impact on the
13 outcome of the election, then the candidate shall repay to the
14 Clean Money Fund an amount up to 10 times the value of the
15 excess.

16 ~~(c) In addition to the remedies set forth in subdivisions (a) and~~
17 ~~(b), if a participating candidate spends or obligates to spend more~~
18 ~~than 110 percent of the candidate's Clean Money funding, he or~~
19 ~~she shall be disqualified as a candidate, and, if~~
20 ~~contemporaneously in elective office, shall forfeit that office.~~
21 ~~Such a candidate shall be prohibited from running for reelection~~
22 ~~or for any elective office for which the election is to be held less~~
23 ~~than four years following the end of the month of the election~~
24 ~~relating to which the violation occurred.~~

25 91143. It is unlawful for candidates to knowingly accept
26 more benefits than those to which they are entitled, spend more
27 than the amount of Clean Money funding they have received, or
28 misuse such benefits or Clean Money funding.

29 91145. Any person who knowingly or willfully violates any
30 provision of this chapter is guilty of a misdemeanor. Any person
31 who knowingly or willfully causes any other person to violate
32 any provision of this chapter, or who aids and abets any other
33 person in the violation of any provision of this chapter shall be
34 liable under this section.

35 91147. Prosecution for a violation of any provision of this
36 chapter shall be commenced within four years after the date on
37 which the violation occurred.

38 91149. No person convicted of a misdemeanor under this
39 chapter shall act as a lobbyist or state contractor, or run for
40 elective *state* office, for a period of ~~four~~ *five* years following the

1 date of conviction unless the court at the time of sentencing
2 specifically determines that this provision shall not be applicable.

3
4 Article 13. Cost of Living

5
6 91153. The Commission shall adjust the ~~contribution~~
7 ~~limitations, voluntary spending limits,~~ seed money provisions;
8 and the Clean Money Fund provisions in January of every
9 odd-numbered year to reflect any increase or decrease in the
10 Consumer Price Index and the increase in registered voters.
11 Those adjustments shall be rounded to the nearest ten dollars
12 (\$10) for the seed money provisions, ~~one hundred dollars (\$100)~~
13 ~~for the limitations on contributions,~~ and one thousand dollars
14 (\$1,000) for the Clean Money provisions.

15 91157. On or before December 6 of each year ending in one,
16 the Commission shall prepare and provide to each Member of the
17 Legislature and to the standing committees in the Assembly and
18 the Senate with jurisdiction over elections a report containing a
19 review and analysis of the functioning of the Clean Money Fund
20 and the Commission's recommendations as to whether additional
21 adjustments, beyond those specified in Section 91153, should be
22 made to the voluntary spending limits, seed money provisions,
23 and Clean Money Fund provisions of this chapter, and suggesting
24 other changes that are advisable to further the purposes of this
25 act. The Commission's recommendations shall be based upon an
26 analysis of the disclosures of campaign contributions and
27 expenditures made by nonparticipating candidates in the
28 preceding decade and other campaign financing information
29 available, and this analysis shall be set forth in detail in the
30 report.

31 ~~SEC. 5.~~

32 *SEC. 3.* The provisions of Section 81012 of the Government
33 Code, which allow legislative amendments to the Political
34 Reform Act of 1974, shall apply to all of the provisions of this
35 act that are placed on the June 3, 2008, ballot.

36 ~~SEC. 6.~~

37 *SEC. 4.* The Secretary of State shall, pursuant to subdivision
38 (b) of Section 81012 of the Government Code, submit Sections ~~3,~~
39 ~~4, 5, and 7~~ 1, 2, 3, and 5 of this act for approval by the voters at

1 the June 3, 2008, statewide primary election, notwithstanding
2 Section 9040 of the Elections Code.

3 ~~SEC. 7.~~

4 *SEC. 5.* The section of this act that adds Chapter 12
5 (commencing with Section 91015) to Title 9 of the Government
6 Code shall be deemed to amend the Political Reform Act of 1974
7 as amended and all of the provisions of the Political Reform Act
8 of 1974 as amended that do not conflict with Chapter 12 shall
9 apply to the provisions of that chapter.

10 ~~SEC. 8.~~

11 *SEC. 6.* The provisions of this act are severable. If any
12 provision of this act or its application is held invalid, that
13 invalidity shall not affect other provisions or applications that can
14 be given effect without the invalid provision or application.